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APS Medical Billing
White Paper on Recent Legislative & Pathology CPT Coding Updates

Congress Delays SGR Reduction & TC Grandfather Sunset

In action late on December 23rd, Congress approved and the President signed a bill delaying the SGR reduction and maintaining the TC grandfather clause for two months beginning January 1, 2012. The actual legislation was passed in a bill that included the payroll tax holiday and unemployment compensation extensions. This linking caused the physician payment issues to be subordinated to the more politically volatile issues and almost resulted in a failure to act when the House and Senate appeared unlikely to agree on the 22nd.

While pleased that the looming reductions for January have been delayed, most provider groups are disappointed with the actual legislation which merely continues the 2011 payment structure and rates for another 2 months without addressing any of the underlying issues or indicating a concensus to provide a longer fix. As a result, 2012 begins with continued concern over Congressional action which must be taken during an election year to avoid a catastrophic reduction in payment rates on March 1, 2012.

A Congressional conference committee of 20 members has been established to hammer out differences between the House and Senate positions on this issue. Physician payment is only one of the items on the committee's agenda and recent performance of such committees (e.g. the deficit "Super" committee) is not likely to generate much confidence in this process. Many provider groups are already predicting a similar last second action (or inaction) in late February. The primary reason for this skepticism is the need for Congress to identify sources of funding, either new taxes or reductions in spending in other programs to pay for all of the extended programs. Needless to say, the desire to extend the programs is relatively bipartisan but the discussion on "funding" is highly partisan and uncertain given the election year political discourse.

Importantly, the initial House resolution, which called for a one year delay of the SGR did not include any reference to the TC grandfather issue, effectively permitting the TC grandfather to sunset. The final legislation, however, mirrored that from the Senate, which included an extension of the TC grandfather. Of the two issues, the TC grandfather remains on the shakiest ground. CMS continues to maintain, despite advocacy groups claims to the contrary, that the TC grandfather results in double payment of services for inpatient services by directly paying the laboratory as well as incorporating payments for laboratory services in the inpatient hospital payment mechanism. In the superheated environment that is the 2012 Congress, such fine distinctions will be hard to explain and harder still to pass.

APS will continue to monitor this process and will provide updates in the meantime. If you have any questions please feel free to contact your Practice Manager or Regional Director of Business Development.

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CPT Codes 88342, 88360 and 88361

Per Centers for Medicare and Medicaid Services (CMS), January 1, 2012 version of the National Correct Coding Initiative (NCCI);

"The unit of service for immunohistochemistry (CPT codes 88342, 88360 and 88361) is each antibody(s) stain (procedure) per specimen. If a single immunohistochemical stain (procedure) for one or more antibodies is performed on multiple blocks from a surgical specimen, multiple slides from a cytologic specimen or multiple slides from a hematologic specimen, only one unit of service may be reported for each separate specimen. Physician's should not report more than one unit of service per specimen for an immunohistochemical antibody(s) stain (procedure) even if it contains multiple separately interpretable antibodies."

Furthermore, CMS has changed positions and announced that all IHC "cocktail" stains such as a PIN4 must now be reported as one unit even though multiple antibodies will be individually reported.

Because this CMS edit is from the NCCI edits, this coding and billing policy will only apply to Medicare and Medicaid beneficiaries. Therefore, when reporting for this service, continue to report all immunohistochemical stains "per block," as carrier information may not be known. APS Medical Billing will review and handle all adjustments per Financial Class. If other carriers decide to follow this policy, updates will be provided.

The unit of service for "special" stains (88312-88313) will continue to be per block as now stated per CPT for 2012. When it is medically necessary and reasonable to perform the same stain on more than one specimen or more than one block of tissue from the same specimen, additional units of service may be reported.

For cytology specimens from a single anatomic site only one unit of service may be reported for each "special" stain. Regardless of the number of slides from that site stained with the "special" stain.

CPT Codes 88380 and 88381

Per Centers for Medicare and Medicaid Services (CMS), January, 2012 version of the National Correct Coding Initiative (NCCI) now confirms the unit of service for CPT codes 88380-88381;

"CPT codes 88380 and 88381 describe microdissection procedures and include sample preparation of microscopically identified target cells. Microdissection of "normal tissue" to compare to target tumor tissue is not separately reportable as an additional unit of service. Comparison to "normal tissue" is a necessary component of the test since an interpretation of the tumor tissue cannot be rendered without it."

This clarifies that codes 88380-88381 can only be reported once per different target tumor tissue preparation.